

# [CONFIDENTIAL COMMITTEE PRINT]

JUNE 10, 1966

## A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       SECTION 1. The Central Intelligence Agency Act of  
4       1949, as amended (50 U.S.C. 403a et seq.), is further  
5       amended as follows:

6       (a) Delete subsections (a) and (b) of section 3 and  
7       substitute the following:

8       “(a) In the performance of its functions, the Agency is  
9       authorized to exercise the authorities contained in sections  
10      2301; 2302 (2) and (3); 2303 (b) and (c); 2304 (a)  
11      (1), (2), (3), (4), (5), (6), (10), (12), (15), and  
12      (17); 2305; 2306; 2307; and 2312 of title 10, United  
13      States Code.

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1       “(b) In the exercise of the authorities granted in sub-  
2 section (a) of this section, the term ‘Agency head’ shall  
3 mean the Director and the Deputy Director.”

4       (b) Amend subsection 3 (d) of the Act by deletion of  
5 the wording “section 2 (c) and section 5 (a) of the Armed  
6 Services Procurement Act of 1947” from the first sentence  
7 and substitute therefor, “section 2304 (a) and section 2307  
8 of title 10, United States Code.” Further amend section  
9 3 (d) by deletion of the wording “section 2 (c) , by section  
10 4 or by section 5 (a) of the Armed Services Procurement  
11 Act of 1947” from the second sentence and substitute there-  
12 for, “section 2304 (a) , by section 2306 or by section 2307  
13 of title 10, United States Code”.

14       SEC. 2. Amend section 4 of the Central Intelligence  
15 Agency Act by striking out the last word of the first sen-  
16 tence, “shall”, and insert in lieu thereof the word “may.”

17       SEC. 3. Amend section 4 of the Central Intelligence  
18 Agency Act by adding the following new paragraph:

19               “(1) (G) Pay the travel expenses of officers and  
20 employees of the Agency and members of their families,  
21 while serving at posts specifically designated by the  
22 Director for purposes of this paragraph, for rest and  
23 recuperation to other locations abroad having different  
24 environmental conditions than those at the post at which  
25 such officers and employees are serving, provided that

1 such travel expenses, shall be limited to the cost for each  
2 officer or employee and members of his family of one  
3 round trip during any continuous two-year tour un-  
4 broken by home leave and two round trips during any  
5 continuous three-year tour unbroken by home leave;"

6 SEC. 4. Amend section 4 of the Central Intelligence  
7 Agency Act by adding the following new paragraph:

8 " (1) (II) Pay the travel expenses of members of  
9 the family accompanying, preceding, or following an  
10 officer or employee if, while he is en route to his post of  
11 assignment, he is ordered temporarily for orientation and  
12 training or is given other temporary duty."

13 SEC. 5. Amend section 4 (3) (A) of the Central Intel-  
14 ligence Agency Act to read as follows:

15 " (3) (A) Order to any of the several States of  
16 the United States of America (including the District  
17 of Columbia, the Commonwealth of Puerto Rico, and  
18 any territory or possession of the United States) on  
19 leave of absence authorized in section 203 (f) of the  
20 Annual and Sick Leave Act of 1951, as amended, each  
21 officer or employee of the Agency who was a resident  
22 of the United States (as described above) at the time of  
23 employment, upon completion of three years' continuous  
24 service abroad or as soon as possible thereafter, or may  
25 so order after completion of eighteen months such

1 service without regard to the limitation contained in  
2 section 203 (f) of the Annual and Sick Leave Act of  
3 1951, as amended.”

4 SEC. 6. Amend section 4 (5) of the Central Intelli-  
5 gence Agency Act by striking out subsections (A) and  
6 (C) and inserting in lieu thereof the following new para-  
7 graphs (A) and (C) :

8 “(A) In the event an officer or employee of the  
9 Agency, or one of his dependents, requires medical care,  
10 for illness or injury not the result of vicious habits, in-  
11 temperance, or misconduct, while on assignment abroad  
12 in a locality where there is no qualified person or facility  
13 to provide such care, pay the travel expenses of such  
14 officer employee, or dependent by whatever means  
15 deemed appropriate by the Agency, including the fur-  
16 nishing of transportation, and without regard to the  
17 Standardized Government Travel Regulations and sec-  
18 tion 10 of the Act of March 3, 1933, as amended (60  
19 Stat. 808; 5 U.S.C. 73b), to the nearest locality where  
20 suitable medical care can be obtained and on his recovery  
21 pay for the travel expenses of his return to his post of  
22 duty. If any such person is too ill to travel unattended,  
23 or in the case of a dependent too young to travel alone,  
24 the Agency may also pay the round-trip travel expenses  
25 of an attendant or attendants;”.

1           “(C) (i) In the event of illness or injury requiring  
2       hospitalization or similar treatment incurred by an officer  
3       or employee of the Agency while on assignment abroad,  
4       not the result of vicious habits, intemperance, or mis-  
5       conduct on his part, pay for the cost of treatment of such  
6       illness or injury;

7           “(ii) In the event a dependent of an officer or em-  
8       ployee of the Agency who is assigned abroad, incurs an  
9       illness or injury while such dependent is located abroad,  
10      which requires hospitalization or similar treatment, and  
11      which is not the result of vicious habits, intemperance,  
12      or misconduct on his part, pay for that portion of the  
13      cost of treatment of each such illness or injury that  
14      exceeds \$35 up to a maximum limitation of one hundred  
15      and twenty days of treatment for each such illness or  
16      injury, except that such maximum limitation shall not  
17      apply whenever the Agency, on the basis of professional  
18      medical advice, shall determine that such illness or in-  
19      jury clearly is caused by the fact that such dependent  
20      is or has been located abroad;”.

21       SEC. 7. Amend section 4 of the Central Intelligence  
22   Agency Act by adding the following new paragraph:

23           “(8) Provide appropriate orientation and language  
24   training to members of family of officers and employees

1 of the Agency in anticipation of the assignment abroad  
2 of such officers and employees, or while abroad.”

3 SEC. 8. Amend section 5 of the Central Intelligence  
4 Agency Act by adding the following new paragraph:

5 “(f) Appoint advisory committees and employ, notwith-  
6 standing any other provisions of law, part-time advisory per-  
7 sonnel necessary to carry out the functions of the Agency.  
8 Persons holding other offices or positions under the United  
9 States for which they receive compensation, while serving as  
10 members of such committees, shall receive no additional com-  
11 pensation for such service. Other members of such commit-  
12 tees and part-time advisory personnel so employed may serve  
13 without compensation or may receive compensation at rates  
14 determined by the Director for the assignment or position.”

15 SEC. 9. Amend section 5 of the Central Intelligence  
16 Agency Act by adding the following new paragraph:

17 “(g) Upon the termination of the assignment of  
18 an employee appointed from another Government agency  
19 without a break in service for duty with the Agency for  
20 a specific period of time agreed upon by both agencies,  
21 such person will be entitled to reemployment in such  
22 other Government agency in the position occupied at the  
23 time of assignment, or in a position of comparable salary,  
24 or, at the volition of the other Government agency, to a  
25 position of higher salary. Upon reemployment, the

1 employee shall receive the within-grade salary advance-  
2 ments and other salary adjustments he would have been  
3 entitled to receive had he remained in the position in  
4 which he was employed prior to assignment to the  
5 Agency."

6 SEC. 10. Amend section 5 of the Central Intelligence  
7 Agency Act by adding the following new paragraph:

8 " (h) Settle and pay, whenever the Director deter-  
9 mines that payment will further the purposes of this Act,  
10 without regard to any other provisions of law and under  
11 such regulations as the Director may prescribe, in an  
12 amount not exceeding \$10,000, any claim against the  
13 United States for loss of or damage to real or personal  
14 property (including loss of occupancy or use thereof),  
15 belonging to, or for personal injury or death of, any  
16 person not a citizen or resident of the United States,  
17 where such claim arises abroad out of the act or omission  
18 of any Agency employee or out of the act or omission  
19 of any person acting on behalf of the Agency but only if  
20 such claim is presented in writing to the Agency activity  
21 involved within one year after it accrues."

22 SEC. 11. Renumber section 7 of the Central Intelligence  
23 Agency Act to read section 8. Renumber section 8 to read  
24 section 9, APPROPRIATIONS. Renumber section 9 to read  
25 section 10, SEPARABILITY OF PROVISIONS. Renumber sec-

tion 10 to read section 11, SHORT TITLE. Add a new section 7 as follows:

"7. (a) For the benefit of or for use in connection with the Agency or for the benefit or welfare of employees of the Agency or their dependents, the Director is authorized, notwithstanding any other provisions of law—

"(1) to receive gifts to the Agency and in his discretion to accept, receive, hold, administer, and expend or dispose of such gifts and bequests of property from individuals or others;

"(2) to disburse gifts, bequests of money, interest, profits, income, or proceeds from sales of other property received as gifts in accordance with the terms and conditions of the acceptance of any particular gift or bequest;

"(3) to invest, reinvest, or retain investments of the money, property, or securities and the interest, profits, or proceeds accruing from such money, property, or securities:

*Provided, however,* That the Director is not authorized, as a consequence of gifts or bequests of money, property, or securities to the Agency, to engage in any business or to exercise any voting privilege which may be incidental to securities in his hands received as a gift to the Agency, nor shall the Director make any investments other than securities of the United States or other securities guaranteed as to prin-



1 cipal and interest by the United States, except that he may  
2 make any investments directly authorized by the instrument  
3 of gift, and may retain any investments accepted by him:  
4 *Provided further*, That gifts, bequests of money, or proceeds  
5 from other property are not utilized for the conduct of  
6 activities by the Agency, as authorized in section 4 et seq.  
7 of this Act through the augmentation or in lieu of appropria-  
8 tions by the United States Congress: *And provided further*,  
9 That the funds represented by the gifts, bequests of money,  
10 or proceeds from other property are not commingled with  
11 funds appropriated by the United States Congress.

12 “(b) For the purpose of Federal income, estate, and  
13 gift taxes, gifts and bequests accepted by the Director shall  
14 be deemed to be a gift or bequest to or for the use of the  
15 United States.”

16 SEC. 12. Title II, the Central Intelligence Agency Re-  
17 tirement and Disability System, of the Central Intelligence  
18 Agency Retirement Act of 1964 for Certain Employees (50  
19 U.S.C. 403, note) is amended by striking out subsection  
20 204 (b) (3) and inserting the following in lieu thereof:

21 “(3) ‘Child,’ for the purposes of section 221 and 232  
22 of this Act, means an unmarried child, including (i) an  
23 adopted child, and (ii) a stepchild or recognized natural  
24 child who lived with the participant in a regular parent-

1 child relationship, under the age of eighteen years, or such  
2 unmarried child regardless of age who because of physical  
3 or mental disability incurred before age eighteen is incapable  
4 of self-support, or such unmarried child between eighteen  
5 and twenty-two years of age who is a student regularly pur-  
6 suing a full-time course of study or training in residence in  
7 a high school, trade school, technical or vocational institute,  
8 junior college, college, university, or comparable recognized  
9 educational institution. A child whose twenty-second birth-  
10 day occurs prior to July 1 or after August 31 of any calendar  
11 year, and while he is regularly pursuing such a course of  
12 study or training, shall be deemed for the purposes of this  
13 paragraph and section 221 (e) of this Act to have attained  
14 the age of twenty-two on the first day of July following  
15 such birthday. A child who is a student shall not be deemed  
16 to have ceased to be a student during any interim between  
17 school years if the interim does not exceed five months and  
18 if he shows to the satisfaction of the Director that he has a  
19 bona fide intention of continuing to pursue a course of study  
20 or training in the same or different school during the school  
21 semester (or other period into which the school year is  
22 divided) immediately following the interim. The term  
23 'child,' for purposes of section 241, shall include an adopted  
24 child and a natural child, but shall not include a stepchild."

25 SEC. 13. Amend section 221 (b) of the Central In-

1 telligence Agency Retirement Act by deleting the words  
2 "or remarriage" from the first sentence, and amend section  
3 232 (b) by deleting the words "or remarriage" from the  
4 second sentence.

5 SEC. 14. Amend section 221 (e) of the Central Intelli-  
6 gence Agency Retirement Act to read as follows:

7 "(c) The commencing date of an annuity payable to a  
8 child under paragraph (c) or (d) of this section, or (c)  
9 or (d) of section 232, shall be deemed to be the day after  
10 the annuitant or participant dies, with payment beginning  
11 on that day or beginning or resuming on the first day of  
12 the month in which the child later becomes or again becomes  
13 a student as described in section 204 (b) (3), provided the  
14 lump-sum credit, if paid, is returned to the fund. Such  
15 annuity shall terminate on the last day of the month before  
16 (1) the child's attaining age eighteen unless he is then a  
17 student as described or incapable of self-support, (2) his  
18 becoming capable of self-support after attaining age eighteen  
19 unless he is then such a student, (3) his attaining age  
20 twenty-two if he is then such a student and not incapable  
21 of self-support, (4) his ceasing to be such a student after  
22 attaining age eighteen unless he is then incapable of self-  
23 support, (5) his marriage, or (6) his death, whichever first  
24 occurs."

1       SEC. 15. Amend section 221 of the Central Intelligence  
2 Agency Retirement Act by deleting the last two sentences  
3 of subsection (f), and by adding the following new para-  
4 graphs (g) and (h) :

5       “(g) Except as otherwise provided, the annuity of a  
6 participant shall commence on the day after separation from  
7 the service, or on the day after salary ceases and the par-  
8 ticipant meets the service and the age or disability require-  
9 ments for title thereto. The annuity of a participant under  
10 section 234 shall commence on the day after the occurrence  
11 of the event on which payment thereof is based. An an-  
12 nuity otherwise payable from the fund allowed on or after  
13 date of enactment of this provision shall commence on the  
14 day after the occurrence of the event on which payment  
15 thereof is based.

16       “(h) An annuity payable from the fund on or after  
17 date of enactment of this provision shall terminate (1) in  
18 the case of a retired participant, on the day death or any  
19 other terminating event occurs, or (2) in the case of a  
20 survivor, on the last day of the month before death or any  
21 other terminating event occurs.”

22       SEC. 16. Amend section 252 of the Central Intelligence  
23 Agency Retirement Act by deleting subsection (c) (1),  
24 renumbering subsections (c) (2) and (c) (3) to read (c)

1 (3) and (c) (4), and insert the following new subsections

2 (c) (1) and (c) (2) :

3 “(c) (1) If an officer or employee under some other  
4 Government retirement system becomes a participant in  
5 the system by direct transfer, the Government’s contributions  
6 under such retirement system on behalf of the officer or em-  
7 ployee shall be transferred to the fund and such officer or  
8 employee’s total contributions and deposits, including inter-  
9 est accrued thereon, except voluntary contributions, shall be  
10 transferred to his credit in the fund effective as of the date  
11 such officer or employee becomes a participant in the system.  
12 Each such officer or employee shall be deemed to consent to  
13 the transfer of such funds and such transfer shall be a com-  
14 plete discharge and acquittance of all claims and demands  
15 against the other Government retirement fund on account of  
16 service rendered prior to becoming a participant in the  
17 system.

18 “(c) (2) If a participant in the system becomes an em-  
19 ployee under another Government retirement system by  
20 direct transfer to employment covered by such system, the  
21 Government’s contributions to the fund on his behalf may  
22 be transferred to the fund of the other system and his total  
23 contributions and deposits, including interest accrued thereon,

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1 except voluntary contributions, may be transferred to his  
2 credit in the fund of such other retirement system at the  
3 request of the officer or employee effective as of the date he  
4 becomes eligible to participate in such other retirement sys-  
5 tem. Each such officer or employee in requesting such  
6 transfer shall be deemed to consent to the transfer of such  
7 funds and such transfer shall be a complete discharge and  
8 acquittance of all claims and demands against the fund on  
9 account of service rendered prior to his becoming eligible for  
10 participation in such other system."

11 SEC. 17. Amend section 273 of the Central Intelligence  
12 Agency Retirement Act by deletion of subsection (a) ; re-  
13 numbering subsection (b) to read (c) and insert the fol-  
14 lowing new subsections (a) and (b) :

15 " (a) Notwithstanding any other provision of law, any  
16 annuitant who has retired under this Act and who is reem-  
17 ployed in the Federal Government service in any appointive  
18 position either on a part-time or full-time basis shall be en-  
19 titled to receive the salary of the position in which he is  
20 serving plus so much of his annuity payable under this Act  
21 which when combined with such salary does not exceed dur-  
22 ing any calendar year the basic salary such officer or em-  
23 ployee was entitled to receive on the date of his retirement  
24 from the Agency. Any such reemployed officer or employee  
25 who receives salary during any calendar year in excess of the

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1 maximum amount which he may be entitled to receive un-  
2 der this paragraph shall be entitled to such salary in lieu of  
3 benefits hereunder.

4 “(b) When any such annuitant is reemployed, he shall  
5 notify the Director of Central Intelligence of such reem-  
6 ployment and shall provide all pertinent information relating  
7 thereto.”

8 SEC. 18. Amend section 291 of the Central Intelligence  
9 Agency Retirement Act to read as follows:

10 “SEC. 291. (a) On the basis of determinations made  
11 by the Civil Service Commission pursuant to section 18 of  
12 the Civil Service Retirement Act, as amended, pertaining  
13 to per centum change in the price index, the following ad-  
14 justments shall be made:

15 “(1) Effective with its commencing date each an-  
16 nuity payable from the fund based on separation for  
17 retirement or death of a participant on or before De-  
18 cember 30, 1966, shall be increased by (a) the per  
19 centum rise in the price index, adjusted to the nearest  
20 one-tenth of 1 per centum, determined by the Com-  
21 mission on the basis of the annual average price index  
22 for calendar year 1962 and the price index for the  
23 month of July of calendar year 1965, plus (b)  $1\frac{1}{2}$   
24 per centum. The month of July of calendar year 1965  
25 shall be the base month for determining the per centum

1 change in the price index until the next succeeding  
2 increase occurs.

3 “(2) Effective the first day of the third month  
4 which begins after the price index shall have equaled a  
5 rise of at least 3 per centum for three consecutive months  
6 over the price index for the base month, each annuity  
7 payable from the fund which has a commencing date not  
8 later than such effective date shall be increased by the  
9 per centum rise in the price index (calculated on the  
10 highest level of the price index during the three con-  
11 secutive months) adjusted to the nearest one-tenth of  
12 1 per centum.

13 “(b) Eligibility for an annuity increase under this sec-  
14 tion shall be governed by the commencing date of each  
15 annuity payable from the fund as of the effective date of an  
16 increase, except as follows:

17 “(1) Effective from its commencing date, an  
18 annuity payable from the fund to an annuitant's survivor  
19 (other than a child entitled under section 221 (c) ),  
20 which annuity commences the day after annuitant's  
21 death and after January 1, 1967, shall be increased by  
22 the total per centum increase the annuitant was receiv-  
23 ing under this section at death.

24 “(2) For purposes of computing an annuity which



1 commences after January 1, 1967, to a child under sec-  
2 tion 221 (c), the items \$600, \$720, \$1,800, and \$2,160  
3 appearing in section 221 (c) shall be increased by the  
4 total per centum increase allowed and in force under this  
5 section and, in case of a deceased annuitant, the items  
6 40 per centum and 50 per centum appearing in section  
7 221 (c) shall be increased by the total per centum in-  
8 crease allowed and in force under this section to the  
9 annuitant at death.

10 “(c) The term ‘price index’ shall mean the Consumer  
11 Price Index (all items—United States city average) pub-  
12 lished monthly by the Bureau of Labor Statistics. The  
13 term ‘base month’ shall mean the month for which the  
14 price index showed a per centum rise forming the basis for  
15 a cost-of-living annuity increase.

16 “(d) No increase in annuity provided by this section  
17 shall be computed on any additional annuity purchased at  
18 retirement by voluntary contributions.

19 “(e) The monthly installment of annuity after adjust-  
20 ment under this section shall be fixed at the nearest dollar,  
21 except that such installment shall after adjustment reflect  
22 an increase of at least one dollar.”

23 SEC. 19. Section 102 (b) of the Federal Employees Pay

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1 Act of 1945, as amended (5 U.S.C. 902 (b) ), relating to  
2 exemption from coverage under the Act, is amended by strik-  
3 ing out "and" immediately preceding "(7)" therein and by  
4 inserting before the period at the end thereof "; and (8)  
5 officers and employees of the Central Intelligence Agency".

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